



January 7, 2003

Smart Growth Initiatives

Smart Growth is a \$100 million comprehensive initiative that combines education, career development and new technology with economic development to create better paying jobs, and a more dynamic economy. These funding initiatives for **Smart Growth** provide the building blocks to achieve these goals.

K-12 and Higher Education Funding To Ensure Excellence in Education

- Increase **Teacher Compensation** another \$1,500, committing \$31 million in new funds and raising teacher compensation a total of \$4,500 over the 2001-2003 and 2003-2005 biennium.
- Raise **Foundation Aid** over prior baseline pupil payment 7.5 percent, increasing per student payments an additional \$26.5 million; establish **Hold Harmless Fund** of \$1.2 million and increase **Tuition Apportionment** \$2.2 million.
- Significantly improve funding equity among our school districts by increasing **Supplemental Equity Payments** \$1 million for a total of \$3.2 million; and increase special education funding \$13.8 million.
- Fully implement **Higher Education Roundtable** recommendations, enabling the University System to leverage state resources with private-sector and federal research dollars to help drive economic growth and job creation.
- Continue \$4 million **EpsCor** funding level.

Investment and Venture Capital Funds To Help Create Quality Jobs and Career Opportunities

- Commit \$5 million to develop **Centers of Excellence Fund**, bringing expertise, quality instruction, and research to help stimulate quality jobs and new educational opportunities through our state's colleges and universities.
- Establish a \$10 million **New Venture Fund** in partnerships with the private sector, Small Business Administration and the Department of Commerce to provide significant resources for our businesses and entrepreneurs. An additional \$3 million is provided in technical assistance.
- Create a \$1 million **Seed Capital Fund** to provide early stage funding for new ideas, and help entrepreneurs create new businesses.

Career Development Funds To Link College Graduates with Job Opportunities. Promote Career Opportunities, and Recruit People to Our State

- Allocate \$2 million for a **Business Internship Program** to fund internships in businesses experiencing critical shortages of skilled workers. The program includes working with college groups such as North Dakota State University student government (TIME project).
- Commit \$500,000 in additional resources to further elevate the **North Dakota Career Counseling Network**; enhance **northdakotahasjobs.com** on-line job opportunity website.

Aggressively Market North Dakota

- **Decouple the state corporate income tax** from the federal corporate tax on a revenue-neutral basis to attract more companies to our state and change perceptions to accurately reflect our true rate of 6.8 percent compared to the perceived rate of 10.5 percent.
- **Partner with New Economy Initiative**, leveraging federal and private sector funding to market North Dakota and promote **Ideafest**, a statewide business-plan competition to foster the best and brightest ideas in the state.
- Commit \$3 million in funding for the **North Dakota Roots Program**, a low interest loan program to provide assistance for a home down payment and to help retain and attract skilled workers.

Statewide Technology Infrastructure Development

- **Expand statewide high-speed voice, video and data network** to maintain our competitive advantage in linking North Dakota to the world (\$7.8 million).
- Commit an additional \$20 million to build **ConnectND**, a first-in-the-nation computer software project combining the University System and state government on one seamless information system, and creating new services, opportunities, and efficiencies.

Energy Development

- Commit \$2 million to a new **Oil and Gas Research** fund.
- Create new tax incentives for **Shallow Gas Development**.
- Provide “**Vision 21**” power plant development (\$6 million from Lignite Research fund).

Promote Value-Added Agriculture

- Provide \$3 million per year in **Ethanol Plant Production Incentives**.
- Commit \$530,000 to **Ethanol Marketing Incentives**.

Commitment to a More Efficient Government

- Create savings through consolidation of government services (i.e. combining the Department of Corrections and the Department of Human Services resources at the Jamestown Correctional Center resulting in savings of \$22.8 million).
- Create savings for all senior citizens through the **Healthy SeniorsRx** prescription drug program.

Smart Growth targets industry sectors for growth in areas where North Dakota has natural advantages: value-added agriculture, technology-based business services, advanced manufacturing, tourism and energy. These investments in **Smart Growth**, together with a true “team” approach, will enable us to build a more dynamic economy with better paying jobs for all North Dakotans.

Smart Growth Investments

K-12 Education*

Teacher Compensation Payments	\$31.20 million	
Joint Powers Agreements	0.50 million	
Supplemental Payments for Improved Equity	1.00 million	
Enhanced Education through Technology (Federal Increase)	1.80 million	
Technology Education Initiative (ITD)	0.85 million	
Vocational Education—Career Counseling	0.50 million	
Vocational Education—Technical Education	0.25 million	
Adult Farm Management Increase	<u>0.05 million</u>	
*Note: Increased foundation aid and federal funding not included		\$36.15 million

Higher Education

Centers of Excellence	\$5.0 million	
Continue Epscor Grants	<u>4.0 million</u>	
		\$9.00 million

Economic Development

New Venture Fund	\$10.0 million	
Technical Assistance Funds	3.0 million	
Seed Capital Fund	1.0 million	
Business Internship Program	<u>2.0 million</u>	
		\$16.00 million

Marketing

Increased Tourism Funding, including Lewis & Clark and partnering with the New Economy Initiative	\$3.2 million	
De-couple Corporate Income Tax	0.0	
North Dakota Roots and North Dakota Equity Fund Housing Programs	3.2 million	
Habitat Improvement Programs	<u>1.7 million</u>	
		\$8.10 million

Technology Infrastructure

Connect North Dakota	\$20.0 million	
Statewide High-Speed Voice, Video & Data Network	<u>7.8 million</u>	
		\$27.80 million

Energy

Oil and Gas Research Fund	\$2.0 million	
Shallow Gas Development Initiative	1.0 million	
Vision 21 (Lignite Research Fund)	<u>6.0 million</u>	
		\$9.00 million

Value-Added Agriculture

Ethanol Plant Production Incentives (\$3 million per year)	\$6.00 million	
Ethanol Demand Incentives	<u>0.53 million</u>	
		\$6.53 million

Better Government

Efficiencies from Consolidating Corrections and Human Services Functions with savings directed to Mental Health and Rehabilitation	\$22.8 million	
Savings for all seniors from Healthy Seniors Rx Prescription Drug Program	<u>3.4 million</u>	
		<u>\$26.20 million</u>

Total: **\$138.78 million**